



House Bill No. 6963

Public Act No. 05-216

**AN ACT CONCERNING SERVICES THAT MAY BE PROVIDED BY
PROFESSIONAL CORPORATIONS AND LIMITED LIABILITY
COMPANIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 33-182a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

As used in this chapter:

(1) "Professional service" means any type of service to the public that requires that members of a profession rendering such service obtain a license or other legal authorization as a condition precedent to the rendition thereof, limited to the professional services rendered by dentists, natureopaths, chiropractors, physicians and surgeons, physician assistants, doctors of dentistry, physical therapists, occupational therapists, podiatrists, optometrists, nurses, nurse-midwives, veterinarians, pharmacists, architects, professional engineers, or jointly by architects and professional engineers, landscape architects, real estate brokers, insurance producers, certified public accountants and public accountants, land surveyors, psychologists, attorneys-at-law, licensed marital and family therapists, licensed professional counselors and licensed clinical social workers.

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(2) "Professional corporation" means (A) a corporation which is organized under this chapter for the sole and specific purpose of rendering professional service and which has as its shareholders only individuals who themselves are licensed or otherwise legally authorized to render the same professional service as the corporation, (B) a corporation which is organized under this chapter for the sole and specific purpose of rendering professional services rendered by members of two or more of the following professions: Psychology, marital and family therapy, social work, nursing, professional counseling and psychiatry and that has as its shareholders only individuals who themselves are licensed or otherwise legally authorized to render one of the professional services for which the corporation was specifically incorporated, (C) a corporation which is organized under this chapter for the sole and specific purpose of rendering professional services by physicians specializing in ophthalmology and optometrists and that has as its shareholders only individuals who themselves are licensed or otherwise legally authorized to render one of the professional services for which the corporation was specifically incorporated, [or] (D) a corporation which is organized under this chapter for the sole and specific purpose of rendering professional services by (i) physicians, and (ii) physician assistants or advanced practice registered nurses, or both, and that has as its shareholders only individuals who themselves are licensed or otherwise legally authorized to render one of the professional services for which the corporation was specifically incorporated, or (E) a corporation which is organized under this chapter for the sole and specific purpose of rendering professional services by physicians and chiropractors and that has as its shareholders only individuals who themselves are licensed or otherwise legally authorized to render one of the professional services for which the corporation was specifically incorporated.

(3) "Shareholder" means the holder of any shares of the capital stock

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of a professional corporation. The shareholders of a professional corporation may be designated as "members" in its certificate of incorporation, bylaws and other corporate documents and may be referred to, for all purposes, as "members", whether or not so designated; and the term "shareholder" or "shareholders", when used in the general statutes in reference to the shareholders of a professional corporation, shall include such "members".

Sec. 2. Section 33-182c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

(a) Any person or group of persons licensed or otherwise legally authorized to render the same professional services may organize and become a shareholder or shareholders of a professional corporation for profit under the provisions of chapter 601, for the sole and specific purpose of rendering the same professional service.

(b) Any group of persons, each member of which is licensed or otherwise legally authorized to render any of the professional services specified in subparagraph (B), (C), ~~or~~ (D) or (E) of subdivision (2) of section 33-182a, as amended by this act, may organize and become shareholders of a professional corporation for profit under the provisions of chapter 601, for the sole and specific purpose of rendering two or more of the professional services specified in said subparagraph (B), (C), ~~or~~ (D) or (E), respectively.

(c) Persons licensed to render the same professional services in another jurisdiction shall not be shareholders, directors or officers of a professional corporation if such persons (1) unlawfully practice their profession in this state, or (2) direct or control any person licensed to practice such profession in this state concerning the delivery of professional services or the exercise of professional judgment.

Sec. 3. Section 34-119 of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective October 1, 2005*):

(a) A limited liability company may be formed under sections 34-100 to 34-242, inclusive, for the transaction of any business or the promotion of any purpose which may be lawfully carried on by a limited liability company except that of a state bank and trust company, savings bank, industrial bank or building and loan association.

(b) Except as otherwise provided in this subsection, a limited liability company may be formed to render professional services provided: (1) Each member of the limited liability company must be licensed or otherwise authorized by law in this state or any other jurisdiction to render such professional services; (2) the limited liability company will render only one specific type of professional services and services ancillary to them and may not engage in any business other than the rendering of professional services for which it was formed to render and services ancillary to them; and (3) the limited liability company may render its professional services in this state only through its members, managers, employees and agents who are licensed or otherwise legally authorized to render such professional services within this state. A limited liability company that will render professional services by licensed or certified alcohol and drug counselors may only be formed pursuant to subdivision (2) of subsection (c) of this section.

(c) A limited liability company may be formed to render professional services rendered by members of two or more of the following professions: (1) Psychology, marital and family therapy, social work, nursing and psychiatry; [or] (2) medicine and surgery, occupational therapy, social work and alcohol and drug counseling; and (3) medicine and surgery and chiropractic; provided (A) each member of the limited liability company must be licensed or otherwise authorized by law in this state or any other jurisdiction to render any

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of the types of professional services specified in subdivision (1), [or] (2) or (3) of this subsection, (B) the limited liability company will render only the types of professional services specified in subdivision (1), [or] (2) or (3) of this subsection and services ancillary to them and may not engage in any business other than the rendering of professional services for which it was formed to render and services ancillary to them, and (C) the limited liability company may render its professional services in this state only through its members, managers, employees and agents who are licensed or otherwise legally authorized to render any of the types of professional services specified in subdivision (1), [or] (2) or (3) of this subsection within this state.

(d) No limited liability company formed under sections 34-100 to 34-242, inclusive, shall have power to transact in this state the business of a telegraph company, gas, electric, electric distribution or water company, or cemetery corporation, or of any company, except a telephone company, requiring the right to take and condemn lands or to occupy the public highways of this state.

(e) No limited liability company may be formed under sections 34-100 to 34-242, inclusive, for the purpose of transacting the business of an insurance company or a surety or indemnity company, unless (1) it is an affiliate of an insurance company chartered by, incorporated, organized or constituted within or under the laws of this state; and (2) at the time of the filing of its articles of organization, there is also filed a certificate issued by the Insurance Commissioner pursuant to section 33-646 authorizing the formation of the limited liability company. No limited liability company formed under sections 34-100 to 34-242, inclusive, shall have power to transact in this state the business of any insurance company or a surety or indemnity company until it has procured a license from the Insurance Commissioner in accordance with the provisions of section 38a-41.

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(f) Nothing in sections 34-100 to 34-242, inclusive, shall be construed to authorize a limited liability company formed under said sections to transact any business except in compliance with any laws of this state regulating or otherwise applying to the same. The provisions of sections 34-100 to 34-242, inclusive, shall govern all limited liability companies, except that where by law special provisions are made in the case of a designated class or classes of limited liability companies governing the limited liability company procedure thereof in any respect, limiting or extending the powers thereof, conditioning action upon the approval of any agency of the state or otherwise prescribing the conduct of such limited liability companies, such procedure, power, action or conduct shall be governed by such special provisions whether or not such limited liability companies are formed under said sections.

(g) Nothing in this section shall prohibit the formation of a limited liability company under sections 34-100 to 34-242, inclusive, for the transaction of any business or for the promotion of any purpose in any other state if not prohibited by the laws thereof.

Approved July 6, 2005